



STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES
CHARLES J. KROGMEIER, DIRECTOR

INFORMATIONAL LETTER NO. 893

DATE: April 1, 2010

TO: Iowa Medicaid Medical Equipment and Supply Providers and Pharmacies

ISSUED BY: Iowa Department of Human Services, Iowa Medicaid Enterprise (IME)

RE: Equipment Rental
Use of the "SC" Modifier for Nutritional Products
Wheelchair Repairs in Nursing Facilities

EFFECTIVE: Upon Receipt

1. Rental of Medical Equipment

Medicaid policy in the Iowa Administrative Rules stipulates that ventilators are provided on a rental only basis throughout the duration of use. Medicaid policy, in addition to the rules, has allowed for coverage of apnea monitors, bilirubin lights, enteral feeding pumps, wound vacs and oxygen systems on a rental basis throughout the duration of use. Review of this policy revealed that, with the exception of ventilator and oxygen systems, it is no longer cost effective for Medicaid to pay for continuous rental of these items. Effective May 1, 2010, billing for the rental of any equipment item, except for ventilators and oxygen concentrators, should stop after the 10th month of continuous use. With reimbursement for 10 months of rental, reimbursement for the purchase fee has been made and the item is considered patient owned.

Calculation of the 10 months of continuous use includes temporary interruptions in use of up to 60 calendar days. Example: Medicaid has reimbursed rental for an enteral feeding pump for 6 months. The member enters a nursing facility in the 7th rental month and remains there for 6 weeks. What would have been the 8th rental month is not billed as the member is not using the feeding pump. Billing would resume when the member returned home in what would have been the 9th month rental and began using the feeding pump. What would have been the 9th rental month now becomes the 8th rental month and billing continues for the remaining 3 months until the 10 month purchase price has been met.

If the use is interrupted by more than 60 continuous calendar days, a new 10 month rental cycle begins.

2. Use of the "SC" modifier for Enteral Nutritional Products

Because Medicare does not allow for coverage of enteral products and nutrition when provided for less than three months and Medicaid does, billing for the following codes should include the "SC" modifier for members who are dual eligible for both Medicare and Medicaid. Even though prior approval has been granted, the claims payment system will otherwise deny these claims for Medicare coverage. Use

of the “SC” modifier is a signal to the claims system that, although Medicare allows for coverage, the Medicare coverage criteria is not met in this situation.

The following nutrition codes should be billed with the “SC” modifier when the above conditions apply:

B4102		B4154		B4160
B4103		B4155		B4161
B4150		B4157		B4162
B4152		B4158		S9435
B4153		B4159		

3. Wheelchair Repairs in Nursing Facilities

Medicaid policy allows for coverage of repairs and replacement parts for patient owned wheelchairs when the member is in a nursing facility. Replacement parts must be “like for like” and not a different or upgraded part due to change in the member’s condition or size. Repairs and parts are covered as long as the cost does not exceed two-thirds the Medicaid cost of replacing the wheelchair. For major repairs, a request for prior authorization is recommended to ensure payment.

Because Medicare does not allow for coverage of repairs and replacement parts for patient owned wheelchairs when the member is in a nursing facility and Medicaid does, the “SC” modifier should be billed with the following wheelchair codes for dual eligibles in such situations.

E0950 – E1030, E2201 – E2397, E2601 – E2621, K0015 – K0195, K0733 – K0737 and K0739

NOTE: Claims billed with the “SC” modifier for codes that have an established fee schedule amount may be submitted electronically.

If you have any questions, please contact the IME Provider Services Unit, 1-800-338-7909, locally 515-256-4609 or by e-mail at imeproviderservices@dhs.state.ia.us.